



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

August 3, 2009

Chuck Davis, General Manager
Catalina Freight Line
100 W. Water Street, Berth 184
Wilmington, CA 90744

Dear Mr. Davis:

RE: FINAL MONITORING REPORT for CATALINA FREIGHT LINE <100 (ET07-0315)

Date of the Visit:	08/03/09
Beginning/Ending Time:	9:30 – 11:30 a.m.
Date of Last Visit:	02/13/09
Visit Location:	Wilmington
Persons in attendance:	Chuck Davis, General Manager, Catalina Freight Line Delia Ureno, Project Administrator, Catalina Freight Line Margarita M. Paccarelli, Contract Analyst, ETP
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	06/30/07 – 06/29/09	Agreement Amount:	\$39,600
Training Start Date:	6/30/07	No. to Retain:	30
Date Training must be Completed:	3/29/09	Range of Hours:	8 - 60
Type of Trainee:	Retrainee	Weighted Ave. Hours:	60

FINAL REPORT SUMMARY

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed on May 29, 2007 and training began on June 30, 2007. Ms. Ureno reported that all training was completed on March 17, 2009, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement – June 29, 2009.

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ETP (05/16/07)

Since the inception of this Agreement, ETP approved the following changes:

- Amendment No. 1, executed on April 4, 2008, extended the contract term by 12 months with a new term end date of February 28, 2009. This Amendment was submitted because the person who schedules and administers the ETP training has gone on maternity leave and the company was in the process of appointing another staff person to take over her duties. This extension will allow the company to complete their training as planned.
- Amendment No. 2, executed on February 23, 2009, moved the contract term again from June 30, 2007 through June 29, 2009. According to Ms. Ureno, staffing changes in the administration of this project affected the training at the beginning of the contract term. Since then, the company had put together an aggressive training schedule which will continue until March 2009. This Amendment allowed your company to complete more training hours and the 90-day retention period within the amended term date.

• **FINAL PROJECT STATISTICS**

This Agreement contains a variable training plan, which means that reimbursement will be based on the total actual number of training hours completed by each trainee between 8 and 60 class/lab training hours. There will be no reimbursement for any trainee who does not complete a minimum of 8 hours of training from the required curriculum.

Based on the data obtained from the ETP Online Tracking System, there are 25 trainees who met the minimum class/lab training hours with projected earnings of \$17,182 (43% of the Agreement amount). Since your company had never submitted any invoice in this Agreement, the Analyst provided Ms. Ureno technical assistance on how to submit invoices for progress payment and final contract closeout. She was also advised that all active trainees must either be dropped or invoiced for final payment at this time.

By the terms of the agreement the final contract closeout should have been completed within 30 days of the end term date of the Agreement. However since this date has passed, ETP is extending the deadline to submit the final contract closeout invoice and associated documents to ETP on or before the close of business on August 20, 2009.

• **INTERVIEW WITH CONTRACTOR'S REPRESENTATIVES**

When queried on the company's low completion rate, the Analyst was informed that it was due to changes company personnel overseeing this project. Ms. Pastoral who was involved in both the development and administration of this project went on maternity leave and later decided not to return to the company. With anticipation that she will be returning, no one was overseeing this project while she was on maternity leave. You took over the administration of this project, but you stated that it was set aside due to other business operations that you have to take care of. In addition, you also had medical issues requiring you to be out of the office. By the time, Ms. Ureno took over the contract, there were only few months left in the Agreement for training.

Although your company did not complete 100%, you stated that the training improved trainee efficiency, improved maximum return of investment, and allowed the company to remain competitive in the industry. You also added that staff has a greater sense of commitment and support from the company.

Ms. Ureno stated that she did not experience any problem with ETP record keeping and that ETP staff was very helpful in providing assistance in the administration of this project.

TRAINING RECORDS

Ms. Pacerelli conducted a random sampling of 10 trainees who completed training. Records reviewed validated the completion of the training hours required in this Agreement. Records show that these trainees completed between 8 and 60 class/lab training hours and the completed hours matches those posted on the ETP Online Tracking System. Records reviewed confirmed that the Agreement curriculum was provided as specified and the ratio of trainer to trainee delineated in the Agreement training plan was adhered to.

The above findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes. (Reference: Title 22 California Code of Regulations, Section 4442)

AUDIT

Your company will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk review. These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters.

To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Margarita Paccereilli at (818) 755-1317 or by email at mpaccereilli@etp.ca.gov within ten (10) working days from the receipt of this report.

Sincerely,

Signature on file

Wally Aguilar, Program Manager
North Hollywood Regional Office

Signature on file

Margarita M. Paccereilli, Contract Analyst
North Hollywood Regional Office

cc: Master File
Project File

Date report mailed to Contractor: 8/10/09